

Senate File 352 - Introduced

SENATE FILE 352

BY ZAUN

A BILL FOR

1 An Act relating to the taxpayers trust fund by modifying the
2 transfer of moneys from the Iowa economic emergency fund to
3 the taxpayers trust fund and including effective date and
4 retroactive applicability provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 8.54, subsection 5, Code 2015, is amended
2 by striking the subsection.

3 Sec. 2. Section 8.55, subsection 2, Code 2015, is amended
4 to read as follows:

5 2. The maximum balance of the fund is the amount equal to
6 two and one-half percent of the adjusted revenue estimate for
7 the fiscal year. If the amount of moneys in the Iowa economic
8 emergency fund is equal to the maximum balance, moneys in
9 excess of this amount shall be ~~distributed as follows:~~

10 ~~a. The first sixty million dollars of the difference between~~
11 ~~the actual net revenue for the general fund of the state for~~
12 ~~the fiscal year and the adjusted revenue estimate for the~~
13 ~~fiscal year shall be transferred to the taxpayers trust fund.~~

14 ~~b. The remainder of the excess, if any, shall be transferred~~
15 ~~to the general fund of the state.~~

16 Sec. 3. Section 8.58, Code 2015, is amended to read as
17 follows:

18 **8.58 Exemption from automatic application.**

19 1. ~~To the extent that moneys appropriated under section~~
20 ~~8.57 do not result in moneys being credited to the general fund~~
21 ~~under section 8.55, subsection 2, moneys Moneys appropriated~~
22 ~~under in section 8.57 and moneys contained in the cash reserve~~
23 ~~fund, rebuild Iowa infrastructure fund, environment first fund,~~
24 ~~Iowa economic emergency fund, taxpayers trust fund, and state~~
25 ~~bond repayment fund shall not be considered in the application~~
26 ~~of any formula, index, or other statutory triggering mechanism~~
27 ~~which would affect appropriations, payments, or taxation rates,~~
28 ~~contrary provisions of the Code notwithstanding.~~

29 2. ~~To the extent that moneys appropriated under section~~
30 ~~8.57 do not result in moneys being credited to the general fund~~
31 ~~under section 8.55, subsection 2, moneys Moneys appropriated~~
32 ~~under in section 8.57 and moneys contained in the cash reserve~~
33 ~~fund, rebuild Iowa infrastructure fund, environment first fund,~~
34 ~~Iowa economic emergency fund, taxpayers trust fund, and state~~
35 ~~bond repayment fund shall not be considered by an arbitrator or~~

1 in negotiations under chapter 20.

2 Sec. 4. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
3 immediate importance, takes effect upon enactment.

4 Sec. 5. RETROACTIVE APPLICABILITY. This Act applies
5 retroactively to July 1, 2014, to moneys attributed to fiscal
6 years beginning on or after July 1, 2014.

7 EXPLANATION

8 The inclusion of this explanation does not constitute agreement with
9 the explanation's substance by the members of the general assembly.

10 This bill relates to the transfer of moneys from the Iowa
11 economic emergency fund to the taxpayers trust fund.

12 Under current law in Code section 8.55, when the balance of
13 the Iowa economic emergency fund is equal to the fund's maximum
14 balance, the excess is first distributed to the taxpayers trust
15 fund up to a formula amount and the remainder is transferred
16 to the general fund of the state. The bill provides that the
17 entire excess is transferred to the taxpayers trust fund and
18 moneys would no longer be transferred to the general fund of
19 the state.

20 By operation of law in Code section 8.57E, moneys in the
21 taxpayers trust fund are used each fiscal year to provide an
22 Iowa taxpayers trust fund tax credit in accordance with Code
23 section 422.11E.

24 Code section 8.54, relating to the state general fund
25 expenditure limitation, is amended to delete a subsection that
26 provides for readjustment of the expenditure limitation to
27 reflect moneys anticipated to be transferred to the general
28 fund of the state from the Iowa economic emergency fund.

29 Code section 8.58, providing an exemption from statutory
30 triggering mechanisms and consideration by an arbitrator or in
31 a collective bargaining negotiation under Code chapter 20 for
32 moneys in various funds, is amended to eliminate a reference
33 to the transfer from the Iowa economic emergency fund to the
34 general fund of the state.

35 The bill takes effect upon enactment and applies

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1 retroactively to July 1, 2014, to moneys attributed to fiscal
2 years beginning on or after July 1, 2014.